# Automotive

FEBRUARY 24, 1992



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NEWSPAPER


## latenews

### Ohio bank copies VW idea

COLUMBUS, Ohio — Consumers who finance vehicle purchases or leases through Huntington National Bank and later lose their jobs will have their vehicle payments paid by the bank for up to six months.

The "Unemployment Payment Assistance Plan" covers payments up to $500 a month on any new or used vehicle. Consumers must provide an affidavit from their former employer saying the job loss is for economic reasons. Also, consumers must be eligible for unemployment benefits.

The plan, which is similar to the incentive pioneered by Volkswagen of America Inc., is good on vehicles purchased between Feb. 20 and April 30.

The bank said it is working with dealers in Ohio, Kentucky and Indiana.

### GM scuttles value guide

DETROIT — General Motors has halted publication of its monthly *General Motors Used Vehicle Guide* for dealers with the February edition.

The guide had been used by


see LATE NEWS, 2


# Bohn battles Porsches

## Workers side with their boss

DIANA T. KURYLKO
*Staff Reporter*

FRANKFURT — Arno Bohn late last week unveiled a trump card in a power struggle to continue as chairman of Porsche AG after the carmaker's controlling families failed in a bid to hire Wolfgang Reitzle, a senior BMW AG executive, to replace him.

After the Porsche board on Thursday denied him the two-thirds majority needed to renew his contract, the 44-year-old Bohn threatened to leave immediately if he is not given the vote of confidence he needs by Friday.

The departure of Bohn, whose contract expires Sept. 30, would leave the company without a chief executive — or any immediate candidates — during a time of great uncertainty.

The ultimatum may be moot, however. Bohn controls 50 percent of the votes on Porsche's board, enough under German law to keep his job on a second vote by Porsche directors.

Bohn's strength stems from his support from Porsche's white- and blue-collar workers, who control half the seats on Porsche's supervisory board.

Last week, the powerful IG Metall union publicly urged Bohn's reappointment, saying a change of chairman now would be bad for the company's 9,000 employees. More than 800 employees demonstrated to support Bohn the day the supervisory board met.

Bohn used the union sentiments in issuing his ultimatum.

"I consider the continuing speculation over the filling of the job as management board chairman of Porsche AG as damaging for the company and have demanded a decision on my reappointment by Feb. 28, at the latest," Bohn said in a statement.

"Otherwise, I am not ready to accept renewal of my contract."

In a telephone interview Friday, Bohn said he wants to remain chairman despite last week's tur-


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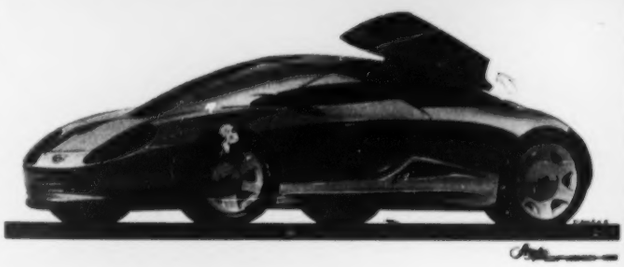
HANS G. LEHMANN



**Caught in the crossfire**

**Porsche AG Chairman Arno Bohn, right, is battling the company's owners over product strategy. Honorary chairman Ferdinand Porsche wants a large, expensive Porsche 989 (top), while Bohn wants a higher-volume, lower-priced 986 sports car (above). Bohn's contract was not renewed, but he has support from the company's blue- and white-collar workers.**

# '123 Ford' program fizzles

## Fewer ex-rental cars available for test lots in four cities

KATHY JACKSON
*Staff Reporter*

Ford Motor Co.'s test dealerships to sell only program cars may fizzle out by the end of summer.

Dealers say Ross Roberts, Ford Division general manager, told them at winter meetings that the four test stores are losing money and the factory probably will dump the project in six months.

Since the first two "123 Ford" stores opened last April, Ford has cut back on the number of program cars that it sells to and then buys back from daily rental companies.

One store says it is profitable, but an employee at the store in Louisville, Ky., said, "You don't make money selling 17 vehicles a month."

Bill Stang, vehicle distribution director for Ford, says the company will not make a decision until the first stores have been in operation at least a year. "We're kind of holding our decision until late April," Stang said.

Cancellation appears to be inevitable.

Last week, Ford officials were at a test dealership, owned by Richardson Ford and Turner Ford in Albuquerque, N.M., "to look at the situation," according to an employee at the store. "We may only have until June. Sales have peaked out; they've tapered off."

Ford opened the stores last year in an effort to dispose of the huge number of the nearly new program


see PROGRAM, 34

**Roberts: brought word to dealers**

# Japanese raising prices to head off trouble

JOHN K. TEAHEN JR.
and KRISTINE STIVEN BREESE
*Automotive News*

Two Japanese makes have raised prices, and others are getting ready to follow suit in an effort to dodge the political flak that surrounds the tense U.S.-Japan trade situation.

Toyota and Lexus divisions of Toyota Motor Sales U.S.A. Inc. were the first to act on prices. Both cited appreciation of the yen against the dollar in announcing their sticker hikes. It appears that will be the party line for all the Japanese makers.

The yen-dollar exchange rate casts a cloud on that argument. The yen has risen 7 percent against the dollar since last June. But the Japanese (and others) have had a price increase since then — the 1992 intro boost. Since the 1992 model year began Oct. 1, the value of the yen has risen only 3.5 percent — from 133.20 to the dollar to last Thursday's 128.70.

Insiders at the Japanese companies, who asked not to be identified, suggest another reason for the price increases.

They acknowledge that the current round of increases are very much a part of the sensitive trade situation between the United States and Japan, and they say the Japanese are raising their prices to give the domestic Big 3 a competitive break.

Said a high-level sales execu-


see PRICES, 36


# Subsidiary plants, fuel law hinder push for U.S. parts

LINDSAY CHAPPELL
*Staff Reporter*

Two hard truths hang over Japanese automakers' pledges during President Bush's trade mission last month to commit to an additional $2 billion in U.S. parts purchases.

- U.S. suppliers lose some sales because of U.S. fuel economy rules.
- Japanese parts firms with U.S. plants stand to benefit more than traditional U.S. parts companies.

While the U.S. government and auto industry push Japanese automakers to buy American, U.S. fuel-economy rules are thwarting progress. The rules discourage Japan's U.S.-built models from having more than 75 percent North American (U.S. and Canadian) content.

The North American content on the 1993 Nissan Stanza replacement, for example, will be held to about 70 percent. That's because under U.S. rules, the Stanza will remain in the firm's "import" fleet if its content level is less than 75 percent. And since the car will exceed the federal standard of 27.5 mpg, it will help offset the drag on its fuel-economy averages provided by such cars as Nissan's Infiniti Q45. (See story, page 9.)

Traditional suppliers who have no Japanese business yet are likely to lose out.

Because pressure on the Japanese to buy U.S. parts is so intense, the companies are likely to go to suppliers they know best — specifically, Japanese-affiliates with U.S. plants.

Already, the large increase in Japanese spending on U.S. parts in recent years has been shared — sometimes dollar for dollar — with Japanese parts makers who have built U.S. plants. While that provides new U.S. jobs and investment, the trend also threatens the "traditional U.S. suppliers"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## Automotive News


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## correction

A table in the Feb. 17 issue mislabeled the North American content status of the Pontiac Grand Am. The Grand Am is classified as a domestic car.

HANS G. LEHMANN/HIDDEN IMAGE

### Renault's mini

**The X06, Renault Group's belated entry in Europe's emerging "starter-car" segment, was recently caught during cold-weather testing in Scandinavia. Power for the mini hatchback is from a 1.1-liter four-cylinder developing 49 horsepower. The X06 will debut in 1994. PSA Group and Fiat Auto entered the segment last year with the Peugeot 105 and Fiat 500.**

## latenews

CONTINUED *from* PAGE 1

dealers for auction prices on used company cars and rental vehicles.

GM will save $250,000 annually, according to industry officials.

Dale Hermiller, newly appointed executive director of vehicle redistribution, said it is no longer cost effective to publish the guide.

But he said the automaker is exploring other ways to make the information available to dealers, including GM's dealer communications system, its satellite network plus vehicle division branch and zone offices.

Hermiller said because the guide was published monthly, many of the prices on daily-rental vehicles and company cars sold through the auctions were out of date.

*— Charles M. Thomas*

### Bill would link tax to inflation

WASHINGTON — The U.S. luxury tax on cars over $30,000 would be indexed to keep pace with inflation under a tax-reduction plan worked out by House Democrats late last week.

But the Democrats dropped a proposal to increase the tariff on imported minivans and sport-utilities from the current 2.5 percent to 25 percent. The full House is expected to vote on the plan next week.

Action then moves to the Senate, which is crafting its own tax bill. The final bill that emerges from Congress could bring a veto from President Bush, who opposes the Democrats' plan to raise taxes on the rich while cutting taxes for the middle class.

The 14-month-old luxury tax puts a 10 percent surcharge on the portion of a car's selling price over $30,000. The indexing provision would prevent additional cars from being covered by the tax as inflation pushes prices higher.

*— Max Gates*

### Trade talks resume in D.C.

WASHINGTON — Vice Minister Noboru Hatakeyama of Japan's Ministry of International Trade and Industry will meet with U.S. business groups tomorrow to continue trade talks begun during President Bush's recent trip to Japan, U.S. Commerce Department officials say.

On the agenda are talks with the Motor Vehicle Manufacturers Association, the Auto Parts Advisory Council and the U.S.-Japan Business Council. The Business Council, which includes General Motors Chairman Robert Stempel and Ford Motor Co. Chairman Harold Poling, last week issued a resolution calling on the U.S. and Japanese governments to adopt trade policies that encourage sales of U.S. products in Japan. The Washington-based group and its Tokyo counterpart agreed that the "chronic high trade imbalance between the United States and Japan is a matter of serious and growing concern which needs to be forcefully addressed."

*— Max Gates*

### Steve Miller quits Chrysler

DETROIT— R.S. "Steve" Miller has resigned from Chrysler Corp. to take a job in New York.

Miller was vice chairman and chief financial officer of the auto company. Along with President Robert E. Lutz. Miller was a leading candidate to replace Lee A. Iacocca as Chrysler chairman. Iacocca has said he will retire at the end of 1992.

Miller, 50, has been with Chrysler since 1979. Before that, he was with Ford Motor Co. for 11 years in financial posts.

### Volvo survives ad scam claim

A Texas jury has ruled in favor of Volvo Cars of North America in a product liability case where a couple claimed Volvo's safety-oriented advertising was misleading.

The plaintiffs, Baptist minister R.W. Johnson and his wife, Patricia, had a rollover accident Christmas Day 1987 in the Volvo 760-GLE diesel wagon they bought in 1985. Patricia Johnson suffered suffered a compressed vertebrae, broken ribs and other injuries. The couple sued Volvo, claiming defects including sudden acceleration, faulty seat belts and a defective transmission.

The case got new life after Volvo's "monster truck" advertising episode in late 1990, where Volvo admitted one of its station wagons had been doctored to survive being run over by a giant pickup. The Johnsons amended their lawsuit and claimed the phony ad supported their case. Volvo denied it made any misrepresentations to the Johnsons.

*— Jim Henry*

### Ford V-6 effort gets $1.2 billion

CLEVELAND — Ford Motor Co. is investing about $1.2 billion to develop and build new high-tech V-6 engines. More than $700 million of the total will be used to revamp the Cleveland Engine Plant No. 2 at Brook Park, which will produce the engines.

Robert Rewey, vice president of Ford North American Sales Operations, said the engines will be the latest in modular engine engineering and will have four valves per cylinder to improve efficiency and fuel economy.

He said the plant will have an annual capacity of up to 400,000 of the new V-6s.

### Energy bill clears Senate

WASHINGTON — The Senate passed a comprehensive energy bill Thursday that includes a requirement for increased purchases of alternative-fuel vehicles by governments and private fleets in 122 of the nation's most polluted cities.

The bill did not include new auto fuel economy standards. Sen. Richard Bryan, D-Nev., who has said he will introduce separate legislation to raise corporate average fuel economy levels to 40 mpg by the end of the century, agreed that higher CAFE standards did not belong in the energy bill.

The energy bill now goes to the House.

*— Max Gates*

## briefly

### Off-the-cuff talk ends in a boot

**Chevrolet** salesman Matt Darcy told Americans they ought to buy good value. For that, he got fired. Darcy was interviewed on "60 Minutes" while working for Gordon Chevrolet, a suburban Detroit dealership, at the Detroit auto show. He said, "If America makes a good product, I buy it. If they don't, I buy what's good for my money. I don't have to spend money because it's American." Gordon Stewart, owner of the dealership, fired Darcy over the incident last week. Said Stewart: "Darcy was saying if Americans make inferior products, then people should buy Japanese. That is extremely abusive language to a large percent of our customers, who are GM UAW workers." Stewart's store also handles Japanese-built **Geo** vehicles.

**QUIET EXIT — Daihatsu America Inc.** virtually will cease advertising as it prepares to leave the U.S. market within six months, according to *Advertising Age*. Kresser/Craig of Santa Monica, Calif., which handled the estimated $10 million account for the last four years, plans to reassign the account's staff to new business. The agency will be looking for another car account. "Attempting to support a national network of dealers with $10 million is ludicrous," said agency Chairman Bob Kresser of Daihatsu's spending.

**HOME ICE ADVANTAGE —** It wouldn't have been the same joke anywhere else. Between periods at a Detroit Red Wings hockey game, Bendix demonstrated its anti-lock brakes by driving a **Chrysler** minivan around pylons at center ice. The brakes worked flawlessly. To demonstrate regular brakes, Bendix brought out a **Toyota** Previa. As it toppled the cones, the crowd cheered.

**LETTER FROM THE KING — Pontiac** will produce a limited edition Grand Prix to mark Richard Petty's farewell tour on the NASCAR circuit. "Buy one of the 1,000 red, white or blue Petty cars and you'll get a personally signed letter verifying your edition number from the king (Petty) himself," said Pontiac General Manager John Middlebrook.

**LEXUS LIVE —** In what it believes to be the first interactive live satellite video conference between a manufacturer and its entire dealer body, **Lexus** executives recently recapped 1991 results, established 1992 objectives and answered phone-in questions from Lexus dealership employees. Questions ranged from those concerning the current political situation to queries about future sales training programs and possible product changes. All Lexus dealers are connected by satellite to the Lexus Communication System.

**On the set, from left, are: Dave Illingsworth, Lexus general manager; Don Esmond, corporate sales and operations manager; and Dick Chitty, corporate service, parts and customer service manager.**

# PARTS

## Conflicting truths cloud debate

*continued from* PAGE 1

that the U.S. government is trying to protect. While they are losing business with a retrenching Big 3, they are not making it up with the Japanese.

Elm International, an East Lansing, Mich., research firm, reports that 357 Japanese-owned or controlled parts plants were operating in the United States at the end of 1991. That's 89 more than in 1990. Parts from those plants count as "U.S. content" for everyone concerned — except their U.S.-based competitors.

"This political pressure for local sourcing is simply backfiring on the American parts industry," says a financial executive at one Japanese transplant automaker, who asked not to be identified. "All it does is force more Japanese parts companies to build plants in this country in order to qualify. That will create an overcapacity in the parts business, just as the automakers experienced in the assembly business."

### CONFUSING DEBATE

The content rules and the "Japanese" U.S. suppliers underscore the difficulties the two sides face as they address the United States' $8.4 billion auto parts trade deficit with Japan.

And they add to the frustration already rampant in a debate where both sides are equally adamant about their claims. The U.S. says that Japanese buyers are dragging their feet. Japan's automakers raise questions about U.S. suppliers' quality. The U.S. says that the Japanese are importing a closed business system. The Japanese complain that too few U.S. firms understand the fundamentally different Japanese ways of doing business.

Underlying the debate are some seemingly conflicting facts:

**Fact:** President Bush returned from Tokyo last month with Japanese commitments for another $2 billion in U.S. parts purchases. That would push Japan's annual purchases of U.S. parts to $19 billion a year by 1994 — up from $10 billion in 1991 and just $2.5 billion five years ago.

**Counterfact:** U.S. firms are gaining on one end but losing on the other. The seemingly huge increases move in lock-step with Japanese transplant production.

Five years ago, the transplants built about 750,000 vehicles in North America. Last year they built 1.85 million. The $19 billion purchasing target assumes another 50 percent increase in transplant production.

As transplant production goes up, Big 3 sales tend to fall.

"It's not a dollar-for-dollar trade-off," charges Jack Reilly, president of Tenneco Automotive and chairman of 800-member Motor and Equipment Manufacturers Association trade group. "I might have $30 of parts in a domestic car, but only $5 in a Japanese car. Every time the domestics lose a sale to the transplants, I've lost $25 in business."

**Fact:** Japan's automakers are clearly bringing new business into the United States. U.S. Department of Commerce records show that in 1990, the most recent data available, the seven U.S. factories of Honda, Toyota, Nissan, Mazda and Mitsubishi purchased $7.7 billion in U.S.-made parts and materials. That's an increase of $2.6 billion from one year before.

At the same time, the group's ratio of U.S. parts-to-imports is improving. In 1989, the transplants bought $1.04 worth of U.S. parts for every $1 they imported. Last year, it was $1.54 for every $1 of imports, according to the government data.

In some cases, the figures are startling. Honda Motor Co.'s U.S. car plant in Marysville, Ohio, now spends nearly $9 on U.S. materials for every $1 in imported goods used to build Accords — not counting the value of assembly labor. That's a higher ratio than some Big 3 factories can boast.

Quips company spokesman Roger Lambert: "The Ford T-Bird isn't a hell of a lot more domestic than our car."

**Counterfact:** While their ratios are generally improving, the transplants' volume of imported parts hasn't declined. From 1989 to 1990, the group's imports climbed from $4.91 billion to $4.97 billion, according to the Commerce data.

Perhaps more troubling from the U.S. perspective is that the large increases in U.S. spending are being shared with Japanese competitors who have launched U.S. plants.

JOE WILSSENS/AUTOMOTIVE NEWS

**Workers at Donnelly Corp. in Holland, Mich., make rear view mirrors used by Honda of America Manufacturing Inc. at its plants in Ohio.**

They in turn have helped raise suspicion over Japanese "keiretsu" practices. The system refers to the common ownership and management ties among automakers and suppliers that effectively prevent outside firms from obtaining business. Honda's assembly operations in Marysville, Ohio, are served to a large degree by Honda parts plants located nearby.

Many Japanese executives say it's no different from General Motors' ownership of Delco Electronics. U.S. suppliers have complained about the closed circles, and federal agencies, including the U.S. Justice Department, have investigated them. But so far, no evidence has emerged indicating that the relationships violate U.S. fair trade law.

**Fact:** The transplants are now investing heavily in U.S. design and research and development facilities that will expedite local sourcing. Nissan's new $80 million r&d center in Farmington Hills, Mich., will allow a staff of some 500 engineers to help domestic suppliers create parts that are unique to the U.S. vehicles Nissan is building in Smyrna, Tenn.

The effort is paying off. Multi-Plex Inc. of Howe, Ind., has drafted new engine stampings with Nissan engineers that pulled the automaker away from its traditional Japanese supplier. The U.S.-based firm has increased its sales to Nissan from three parts in 1989 to 14 parts today, says Merle Emery, Multi-Plex president.

As Nissan and other transplants slowly evolve their products, more opportunities will open up for U.S. suppliers.

The new 1992 Toyota Camry built in Georgetown, Ky., allowed Toyota Motor Manufacturing U.S.A. Inc. to increase its U.S. suppliers from 130 to 174 last year. Research on the next-generation Accord has allowed more than 40 U.S. parts companies to meet with Honda engineers to draft their parts into the design.

**Counterfact:** The gains sometimes take years, and U.S. companies are already low on patience. New United Motor Manufacturing Inc., the General Motors-Toyota joint venture managed by Toyota in Fremont, Calif., was importing 61 percent of its parts and materials in 1990, six years after beginning production.

The figures underlie one issue that clouds the parts debate. While the Commerce Department figures for NUMMI sourcing count just parts and materials, the more often quoted "domestic content" figure counts more than just parts. That's the figure the EPA uses for fuel-economy purposes. So when a firm has a "domestic" content rating of 75 percent in the EPA's eyes, the number includes such costs as wages and advertising.

**U.S. AUTO PARTS IMPORTS**
**(in $ billions)**

| | From Japan | Total Imports |
|---|---|---|
| 1985 | 3.28 | 16.58 |
| 1986 | 6.22 | 22.69 |
| 1987 | 7.58 | 26.84 |
| 1988 | 9.29 | 30.96 |
| 1989 | 11.17 | 33.24 |
| 1990 | 10.62 | 32.08 |
| 1991* | 9.20 | 27.10 |
| **1991 U.S. Parts Deficit*** | **(8.40)** | **(2.90)** |

*estimated
Source: U.S. Department of Commerce

### CHANGE IS UNDERWAY

Still, if content patterns are changing too slowly to suit American parts makers, it is still happening. Experts disagree over what will speed up the process of local sourcing for the Japanese automakers.

Daniel T. Roos, director of MIT's International Motor Vehicle Program, and co-author of the seminal *The Machine That Changed The World*, believes that "overall, the quality level among the U.S. firms still doesn't match the Japanese yet."

But he adds, "As American suppliers learn to operate in a lean production system, they will have a much higher probability of selling to the Japanese."

"Lean production," a term that Roos' group has spread throughout the auto industry, could loosely be translated to mean "Japanese production techniques." The system pivots on assembly-line control of quality issues, scant inventories, neat work environments, a small body of parts suppliers and open communications between workers, managers, engineers, designers, customers and parts makers.

Such concepts have been widely accepted by the Big 3 themselves, and many U.S. suppliers have restructured their plants to adopt similar systems. Roos believes that not enough have.

But Tenneco's Reilly disagrees with Roos, saying, "U.S. supplier quality is second to none.

"The U.S. parts industry is much more efficient than the Japanese," Reilly adds. "The Japanese know that. The U.S. is still the industry's low-cost producer." He cites a 1991 report by the Japan Productivity Center that found the average American worker was 28 percent more productive than his Japanese counterpart.

# CAFE restrains transplants' use of U.S. parts

LINDSAY CHAPPELL
and PETER BROWN
*Staff Reporters*

Nissan makes small cars in Tennessee. Nissan also imports some bigger Infiniti cars from Japan.

And in order to be able to bring in those cars that consume more gasoline, Nissan feels compelled by federal law to keep the North American content of its U.S.-assembled cars below 75 percent.

While the Bush administration pressures the Japanese to buy American auto parts, federal law is actively suppressing U.S. parts purchases by transplants.

Nissan Motor Co. Ltd. and some other Japanese automakers are keeping the U.S. domestic content of their U.S.-assembled cars below 75 percent so they don't have to count the cars as "domestic" under the corporate average fuel economy law. Nissan's U.S.-assembled small cars provide high-mileage "import" cars to balance against lower-mileage cars such as the Infiniti Q45.

The American International Automobile Dealers Association also thinks the law discourages Japanese firms from raising their North American content levels. It wants the system abolished as part of a proposed free-trade pact with Mexico.

Nissan will keep its Tennessee-made Sentra subcompact at 74.6-percent domestic in order to keep it in the EPA import fleet. A compact Stanza replacement, to be built in Tennessee beginning this summer, will also stay in the low 70s for the same reason, said Earl Hesterberg, general manager of the Nissan Division.

The two cars will be sourced entirely from Nissan's complex in Smyrna, Tenn. If the EPA counted their domestic content at 75 percent or higher, Nissan would have to classify them in a different, "domestic" fleet.

That would be fine under CAFE: It would be well over the standard of 27.5 mpg that applies to "import" and "domestic" car fleets. But then the "import" fleet, which includes all Infinitis, could face problems meeting CAFE or fines for being under 27.5 mpg.

The 1993 Mazda MX-6s and 626s built in Flat Rock, Mich., are expected to be the first U.S.-built Japanese marques to be declared "domestic" for EPA purposes.

Those cars will be approximately neutral on CAFE. Says Mazda spokesman Tom MacDonald: "It is certainly going to exceed the 27.5, but it's not going to exceed it by a wide margin, which would give you a tremendous amount of banked credits."

Honda claims more than 75 percent domestic content for its Accords built in Marysville, Ohio. But since other Accords are imported from Japan, the entire line falls below 75 percent.

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# trucks

## in brief
TRUCKS

### PACCAR profits off a bit in 1991

BELLEVUE, Wash. — PACCAR Inc., parent company of Kenworth Truck Co. and Peterbilt Motors Co., reported a $55.2 million profit on sales of $2.2 billion for its fiscal year 1991 ended Dec. 31. That was slightly below the $63.7 million profit on sales of $2.6 billion for a year earlier.

Charles Pigott, PACCAR chairman and chief executive officer, said lower truck sales, profit margins and environmental cleanup expenses reduced 1991 profits.

They were partially offset by the firm's cost reduction program and stronger earnings of Vilpac S.A., PACCAR's Mexican affiliate.

### Bendix shutters Canadian plant

ELYRIA, Ohio — Bendix Heavy Vehicle Systems Group-Garrett Automotive plans to close its London, Ontario, machining and assembly operations by the end of 1992 to reduce excess production capacity.

It will consolidate London operations with its other original equipment and aftermarket facilities in North America. About 270 employees will be affected.

### Freightliner opens Canadian plant

PORTLAND, Ore. — Freightliner Corp. has begun building trucks at the rate of one a day at its new facility in St. Thomas, Ontario, according to Dieter Zetsche, Freightliner president and chief executive officer.

Production will increase by one additional unit a day each month until the company hits its target production rate of 20 units a day.

The $30 million plant builds Freightliner's FLD 120 and FLD 112 Class 8 models for Central and Eastern Canada and the Northeastern United States.

### Fruehauf shifts trailer sourcing

SOUTHFIELD, Mich. — Fruehauf Trailer Corp. is shifting production of dump and platform trailers from its Fresno, Calif., facility to plants in Omaha, Neb., and Scott County, Tenn.

The move aims to focus plants on specific products or processes.

### JANUARY 1992 TRUCK SALES BY GVW

| | Jan. 1992 | Jan. 1991 | 1 mo. 1992 | 1 mo. 1991 |
|---|---|---|---|---|
| Class 1-3 | 84,459 | 75,006 | 84,459 | 75,006 |
| Class 4 | 840 | 1,527 | 840 | 1,527 |
| Class 6 | 322 | 437 | 322 | 437 |
| Class 7 | 1,367 | 1,630 | 1,367 | 1,630 |
| Class 8 | 776 | 620 | 776 | 620 |
| **FORD** | **87,764** | **79,220** | **87,764** | **79,220** |
| Class 6 | 13 | 0 | 13 | 0 |
| Class 7 | 23 | 0 | 23 | 0 |
| Class 8 | 1,572 | 1,838 | 1,572 | 1,838 |
| **FREIGHTLINER** | **1,608** | **1,838** | **1,608** | **1,838** |
| Class 1-3 | 71,685 | 70,298 | 71,685 | 70,298 |
| Class 4 | 201 | 85 | 201 | 85 |
| Class 5 | —3 | 7 | 3 | 7 |
| Class 6 | 139 | 284 | 139 | 284 |
| Class 7 | 394 | 433 | 394 | 433 |
| **CHEVROLET** | **72,422** | **71,107** | **72,422** | **71,107** |
| Class 1-3 | 21,674 | 17,096 | 21,674 | 17,096 |
| Class 4 | 70 | 37 | 70 | 37 |
| Class 5 | 25 | 34 | 25 | 34 |
| Class 6 | 1,367 | 273 | 1,367 | 273 |
| Class 7 | 911 | 854 | 911 | 854 |
| **GMC** | **24,047** | **18,294** | **24,047** | **18,294** |
| Class 7 | 14 | 15 | 14 | 15 |
| Class 8 | 767 | 1,048 | 767 | 1,048 |
| **KENWORTH** | **781** | **1,063** | **781** | **1,063** |
| Class 6 | 35 | 38 | 35 | 38 |
| Class 7 | 46 | 52 | 46 | 52 |
| Class 8 | 568 | 762 | 568 | 762 |
| **MACK** | **649** | **852** | **649** | **852** |
| Class 6 | 27 | 13 | 27 | 13 |
| Class 7 | 20 | 48 | 20 | 48 |
| **MERCEDES-BENZ** | **47** | **61** | **47** | **61** |
| Class 4 | 0 | 3 | 0 | 3 |
| Class 5 | 1 | 10 | 1 | 10 |
| Class 6 | 617 | 342 | 617 | 342 |
| Class 7 | 2,812 | 1,872 | 2,812 | 1,872 |
| Class 8 | 1,445 | 2,505 | 1,445 | 2,505 |
| **NAVISTAR** | **4,875** | **4,732** | **4,875** | **4,732** |
| Class 7 | 19 | 8 | 19 | 8 |
| Class 8 | 679 | 1,051 | 679 | 1,051 |
| **PETERBILT** | **698** | **1,059** | **698** | **1,059** |
| Class 7 | 56 | 28 | 56 | 28 |
| Class 8 | 871 | 628 | 871 | 628 |
| **VOLVO/GM HEAVY** | **927** | **656** | **927** | **656** |
| Class 1-3 | 1 | 26 | 1 | 26 |
| Class 4 | 18 | 0 | 18 | 0 |
| Class 5 | 24 | 36 | 24 | 36 |
| Class 6 | 26 | 51 | 26 | 51 |
| Class 7 | 75 | 51 | 75 | 51 |
| **HINO** | **144** | **164** | **144** | **164** |
| Class 1-3 | 60 | 35 | 60 | 35 |
| Class 5 | 50 | 52 | 50 | 52 |
| Class 6 | 35 | 16 | 35 | 16 |
| Class 7 | 15 | 25 | 15 | 25 |
| **NISSAN DIESEL** | **160** | **128** | **160** | **128** |
| Class 1-3 | 382 | 370 | 382 | 370 |
| Class 4 | 143 | 43 | 143 | 43 |
| Class 5 | 60 | 25 | 60 | 25 |
| Class 6 | 61 | 32 | 61 | 32 |
| Class 7 | 18 | 18 | 18 | 18 |
| **ISUZU TRUCK** | **664** | **488** | **664** | **488** |
| Class 1-3 | 124 | 116 | 124 | 116 |
| Class 5 | 39 | 36 | 39 | 36 |
| Class 6 | 55 | 39 | 55 | 39 |
| Class 7 | 12 | 45 | 12 | 45 |
| **MITSUBISHI FUSO** | **230** | **236** | **230** | **236** |
| **SCANIA** Class 8 | **0** | **3** | **0** | **3** |
| Class 1-3 | 0 | 151 | 0 | 151 |
| Class 4 | 0 | 49 | 0 | 49 |
| Class 5 | 0 | 25 | 0 | 25 |
| Class 6 | 0 | 16 | 0 | 16 |
| **IVECO TRUCKS*** | **0** | **241** | **0** | **241** |
| **WESTERN STAR** Class 8 | **44** | **73** | **44** | **73** |
| Class 1-3 | 114,200 | 106,812 | 114,200 | 106,812 |
| Class 6,7,8 | 16 | 35 | 16 | 35 |
| **OTHER TRUCKS** | **114,216** | **106,847** | **114,216** | **106,847** |
| **CLASS 1-3** | **292,585** | **269,910** | **292,585** | **269,910** |
| **CLASS 4** | **1,272** | **1,744** | **1,272** | **1,744** |
| **CLASS 5** | **202** | **225** | **202** | **225** |
| **CLASS 6** | **2,697** | **1,541** | **2,697** | **1,541** |
| **CLASS 7** | **5,782** | **5,079** | **5,782** | **5,079** |
| **CLASS 8** | **6,738** | **8,563** | **6,738** | **8,563** |
| **TOTAL TRUCKS** | **309,276** | **287,062** | **309,276** | **287,062** |

*1991 figures are Automotive News estimates.

Source: Automotive News Data Center and MVMA

# Volvo GM boosts truck exports via distribution deals

## Mexican firm gets sole import rights

JOSEPH BOHN
*Truck Editor*

Volvo GM Heavy Truck Corp. is increasing exports through a new distribution agreement in Mexico and a new arrangement with its Swedish-based parent covering other worldwide markets.

Trailers de Monterrey S.A. signed a contract with Volvo GM to become the sole importer of WhiteGMC trucks in Mexico.

The company manufactures heavy trucks, trailers and buses in Monterrey, Mexico, and will begin selling WhiteGMC's Integral Sleeper Aero ES through its nine-dealer network.

Laurence Oliphant, Volvo GM's chief negotiator, said Mexican Class 8 sales climbed sharply from 3,300 a year in the 1980s to 4,500 in 1990 and 8,000 in 1991. He expects 1992 sales of 9,000 to 10,000 units.

The prospect of a North American free-trade agreement, privatization of industries, tax reform and liberalized investment rules have ignited the Mexican economy, Oliphant said.

Both foreign and domestic investment have increased, inflation has slowed significantly, and tariffs have been reduced. Domestic content regulations and production controls also have fueled the country's economic take-off, Oliphant said.

Karl-Erling Trogen, president and chief executive officer, said Volvo GM exported 1,049 trucks during 1991, up from 445 the previous year. Most went to South America and the Middle East. Volvo GM sold another 994 trucks in Canada during 1991.

Volvo GM also expects to increase export sales as a result of making its parent company, Volvo Truck Corp. of Gothenburg, Sweden, the sales representative for U.S.-made trucks.

Volvo Truck is taking up the marketing of Volvo GM trucks through its worldwide network of importers and dealers, Trogen said.

He said Volvo Truck has a lot of expertise, since it exports over 90 percent of the trucks it produces. The WhiteGMC Autocar, which has been a big seller in the Middle East, will continue to be shipped there.

The company also is gearing up to export the WhiteGMC WG. Export versions of this truck will be equipped with Volvo drivetrains and carry the Volvo NE name because Volvo is better known than WhiteGMC.

Volvo AB of Sweden sold 54,130 trucks worldwide in calendar 1991, 4 percent fewer than a year earlier. The company is still the world's second-largest heavy-truck manufacturer, behind Germany's Daimler-Benz AG.

Subtracting the 15,461 trucks sold in the United States and Canada and exported from the United States, Volvo Truck marketed 38,689 trucks in Europe, South America, Australia and the Middle East in 1991, Trogen said.

The Middle East, East European and German markets were especially strong, while the British and Scandinavian markets were weaker than in 1990.

Volvo GM Heavy Truck has been beefing up its U.S. operations, Trogen added.

In 1991, it launched a program to help dealers add 100 new salespersons. About one-third are already on board, and the company is helping to recruit the rest.

Volvo GM is helping subsidize these salespersons during their training. Many will concentrate on small- and medium-sized fleets and owner-operator truck buyers. These are segments where the company has significantly increased its marketing efforts, Trogen said.

The company also launched new programs to beef up service and parts support. So far, Trogen said, 65 "super dealers" have committed to carrying a comprehensive inventory of spare Volvo components to supply customers and other dealers "without delay."

# Order intake shows upturn in Class 8

JOSEPH BOHN
*Truck Editor*

Class 8 truck sales dropped by 21.3 percent in January from a year ago, though the net new-vehicle order intake indicates a sharp upturn underway.

Class 8 sales of 6,738 in January were down from 8,563 a year earlier, according to the Motor Vehicle Manufacturers Association.

But the net Class 8 truck order intake increased to 10,550, up 8.9 percent from December's 9,692 and 44.2 percent ahead of January 1991's 7,378, according to Rothschild Inc. of New York.

Net orders reflect the total number that remain after new orders have been added and cancellations been deducted.

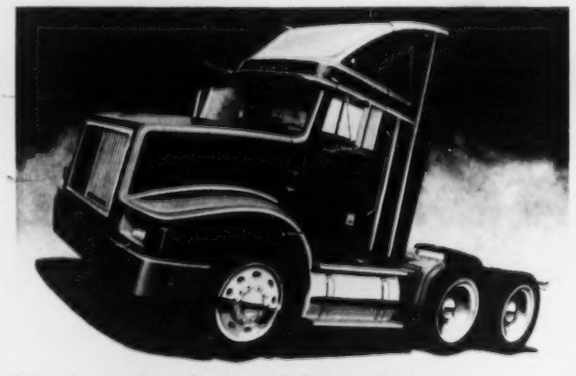
Frank Prezelski, an analyst with Rothschild, said the order intake, which reflects trucks that will be built for sale in March and April, was "better than our expectation."

He added that January's retail sales decline is "probably the worst" of 1992, and that sales will increase throughout the year.

The medium-duty market, led by Classes 6 and 7, staged a strong sales upturn during January.

Class 4-7 sales totaling 9,953 were up sharply from 8,589 a year ago.

Class 4 sales had the only serious falloff, dropping to 1,272 from 1,744 a year ago.



### Navistar beefs up 9000 series

**Navistar International Corp. plans to introduce this new 9200 premium conventional tractor in the fall. It will feature a 112-inch bumper-to-back-of-cab dimension, a set back axle design and a choice of 10.0-liter diesel engine offerings. Navistar's Chatham, Ontario, plant will produce the vehicle.**

# European sales rise 1% despite dip in Germany

## Smaller markets show healthy gains

DIANA T. KURYLKO
*Staff Reporter*

FRANKFURT — New-car sales in Europe rose only 1.08 percent last month, to 1.29 million, as the major markets continued to show signs of economic weakness.

Of the four markets that account for 70 percent of all European sales, only Italy began the year with a gain, rising 1.14 percent from the same month in 1991.

As expected, sales in Germany slid 3.8 percent from a strong January a year earlier, continuing a weakening that began in the second half. France was virtually unchanged, and sales in the United Kingdom fell 6 percent.

Many of the smaller markets showed strong gains, however. Spain posted a 26.6 percent increase, while the Netherlands, Belgium-Luxembourg, Denmark, Norway and Sweden all notched healthy improvements.

The only surprise in the performance of Europe's top marques was Fiat Auto S.p.A., which slipped to fourth place from second on a 19.6 percent decline in volume, to 154,900 units.

Fiat attributed the lackluster month to mixed signs in the political arena, where government tax incentives for the purchase of cars with catalytic converters appear imminent. Such incentives have been the subject of debate for months.

Buyers also are waiting for two new models, the small Fiat Cinquecento and the Alfa Romeo 155. Both were introduced recently and are slowly appearing in Fiat and Alfa showrooms.

Volkswagen Group continued to dominate the 17-nation market with a 16.1 percent share and a 6.1 percent improvement in sales, to 207,700 units. VW even had an 8.7 percent gain in Germany, where its share was 30 percent. Nearly every other maker, except Ford, showed a decline in Germany, ranging from 13.3 percent for General Motors Europe to 22 percent for Mercedes-Benz AG.

France's Peugeot Group advanced to second place in Europe on a volume of 161,700 units.

Ford sales were up 2.3 percent despite problems in Great Britain, where it has a 25.4 percent share. And the company continued to make inroads in Italy, where sales were up 29.5 percent.

General Motors was down 0.8 percent, but managed to retain a market share of 11.9 percent. GM is still pushing to get production of the new Astra into full swing.

Among the luxury marques, Mercedes-Benz began showing signs of the dip that management had predicted this month in announcing a production slowdown.

Mercedes sales dipped 16.2 percent from 1991. Rover Group, Jaguar, Mazda and Mitsubishi were the only makers with larger declines in January.

### EUROPEAN SALES BY MANUFACTURER

| Manufacturer | January 1992 | Percent Share* | January 1991 | Change Percent |
|---|---|---|---|---|
| Volkswagen[2] | 207,700 | 16.1 | 195,700 | + 6.1 |
| Peugeot SA[3] | 161,700 | 12.5 | 146,000 | 10.8 |
| Ford[4] | 159,200 | 12.35 | 155,700 | + 2.3 |
| Jaguar | 1,000 | — | 1,500 | – 33.3 |
| Fiat Auto[5] | 154,900 | 12.0 | 192,800 | – 19.7 |
| General Motors[6] | 153,900 | 11.9 | 155,100 | – 0.8 |
| Renault | 132,700 | 10.3 | 123,400 | + 7.5 |
| Mercedes-Benz | 41,900 | 3.2 | 50,000 | – 16.2 |
| BMW | 41,700 | 3.2 | 31,800 | + 31.2 |
| Nissan | 37,400 | 2.9 | 37,200 | + 0.1 |
| Rover | 28,300 | 2.2 | 37,800 | – 25.2 |
| Toyota | 25,700 | 2.0 | 27,200 | – 5.5 |
| Mazda | 21,900 | 1.7 | 26,400 | – 17.0 |
| Volvo | 21,600 | 1.7 | 21,300 | – 1.6 |
| Honda | 14,100 | 1.1 | 13,100 | + 7.6 |
| Mitsubishi | 11,700 | 0.9 | 15,200 | – 23.0 |
| Suzuki | 9,800 | 0.8 | 9,400 | + 4.3 |
| Lada | 7,600 | 0.6 | 6,200 | + 22.6 |
| Saab | 4,700 | 0.4 | 4,800 | – 2.1 |
| Subaru | 4,600 | 0.4 | 4,900 | – 6.1 |
| Daihatsu | 4,400 | 0.4 | 5,300 | – 17.0 |
| Skoda | 2,700 | 0.2 | 2,600 | + 3.8 |
| Other | 43,600 | 3.3 | 13,200 | + 230.3 |
| **Total** | **1,288,800** | **100.0** | **1,275,000** | **+ 1.08** |

1 Does not add to 100 because of rounding.
2 Includes Volkswagen, Audi and Seat brands.
3 Includes Peugeot and Citroen.
4 Includes Jaguar.
5 Includes Fiat, Alfa Romeo and Lancia.
6 Includes Opel, Vauxhall, GM—U.S. and Isuzu; excludes Saab.

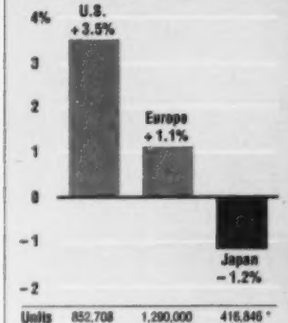
### NEW-CAR SALES BY COUNTRY IN EUROPE

| Country | January 1992 | Pct. change vs. 1991 |
|---|---|---|
| Germany | 307,500 | – 3.80 |
| Italy | 299,000 | + 1.14 |
| France | 178,830 | – 0.35 |
| United Kingdom | 153,680 | – 6.02 |
| Netherlands | 89,000 | + 12.03 |
| Spain | 83,000 | + 26.62 |
| Belgium-Lux | 54,000 | + 8.67 |
| Switzerland | 27,980 | + 3.48 |
| Austria | 24,550 | + 0.03 |
| Portugal | 17,650 | + 8.82 |
| Sweden | 13,290 | + 9.03 |
| Greece | 10,500 | – 4.54 |
| Finland | 9,100 | – 25.04 |
| Ireland | 8,670 | – 5.45 |
| Denmark | 6,800 | + 23.91 |
| Norway | 5,250 | + 21.62 |
| Total | 1,288,800 | + 1.07 |

### Global tally

JANUARY 1992

Chart compares change in unit sales for car and light-truck market to year-ago period.




| Units | 852,708 | 1,290,000 | 416,846 * |
|---|---|---|---|

* Includes minicars and minitrucks, which are not sold in U.S. or Europe

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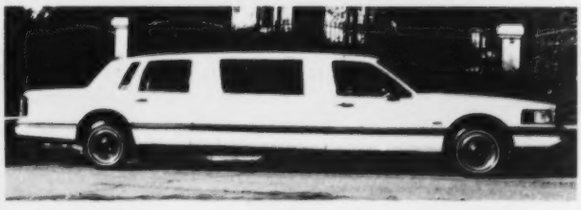

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Circle ReaderService #13

# Ford of Britain experiments with group pricing for cars

MAURICE GLOVER
*Special Correspondent*

LONDON — In an innovative bid to spur sales by trying to ease buyers' showroom confusion, Ford of Britain said last week it will drop individual prices on several models and group them into price bands.

Under the six-month trial program, Ford said all cars in a band will cost the same — irrespective of engine size, styling configuration or level of equipment. The experiment kicks off with the Sierra and Granada ranges, but will be expanded to the entire product lineup if it is successful, Ford said.

In the Sierra range, 61 models — hatchbacks, wagons and sedans — have been grouped into just 13 price bands from the equivalent of about $19,240 to $33,160.

The biggest group puts eight hatchbacks, sedans and wagons into the showrooms at $23,835. They offer a choice of 1.6-, 1.8- or 2.0-liter engines, and two trim levels.

For example, a buyer could choose between a Sierra sedan in GLX trim with a 1.6-liter engine, a wagon in LX trim with a 1.8-liter motor, or a 2.0-liter LX hatchback.

Further upscale, 20 luxury-segment Granada and Scorpio models have been divided into five groups priced from about $34,600 to $39,600. Midway in this range, seven plush executive sedans, hatchbacks and wagons are grouped around the equivalent of $37,415.

At this level, buyers get to choose between a 2.9-liter, six-cylinder engine or a 2.0-liter four, and can have automatic transmission or air conditioning.

The move is the brainchild of Ian McAllister, the new chairman of Ford of Britain, who aims to widen his company's sales lead over Vauxhall, the General Motors subsidiary.

"This is an idea that emerged both from research we've carried out among customers and discussions which have been held with our dealers," he said in an interview. "We found that both sides felt our price structure was hard to understand because we offer so many different body, powertrain and equipment combinations."

In all, Ford produces 64 variations on its Sierra theme, compared with 29 hatchbacks and sedans in the rival Vauxhall Cavalier stable.

"A lot of our customers walk into showrooms to see what they can get for a particular sum of money. Now we can point them to a group of cars," says McAllister.

Ford says its price-banding arrangement will still allow buyers to negotiate for discounts from the list prices.

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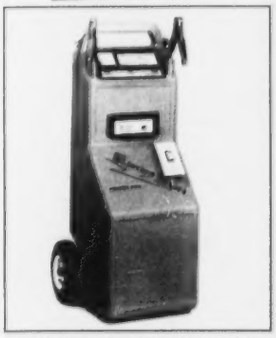

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Circle ReaderService #24

# NADA revs up certification

## Sales, CSI classes kick off in April

CHARLES M. THOMAS
*Staff Reporter*

DALLAS — The National Automobile Dealers Association's long-awaited sales certification program gets under way in four states in April to train salespersons in techniques to improve customer satisfaction.

The program will be offered initially in Cleveland; Buffalo, N.Y.; Salt Lake City; and Casper, Wyo.

"This program teaches a consultative approach to car sales," said Robert W. Nagel, NADA's Wyoming director and chairman of the subcommittee that developed the curriculum.

The program, which cost NADA $1 million and took three years to develop, is designed to improve salespersons' professionalism and self-esteem.

It also may help raise their wages. According to NADA, the average salary for salespersons is $22,000 annually. But dealers say that is low and their salespersons earn $25,000 to $40,000 annually.

The program also could help dealers retain salespersons who have a tendency to follow popular products from one dealership to another. The average dealership has an annual turnover rate of more than 50 percent for salespersons, according to NADA estimates.

The program is open to salespersons, sales managers and dealers. The curriculum includes courses in ethical and legal practices, selling techniques and consumer psychology. It combines home study with training seminars.

Not only can salespersons be certified, they can be decertified under the program. The process starts when a consumer files a complaint with NADA against a salesperson. A panel consisting of a salesperson's peers and others conduct an inquiry and can issue reprimands.

Three reprimands result in decertification, but not necessarily loss of job.

Nor is the program a quick fix for everything that ails the auto industry, though NADA officials concede that buying a car can be a nightmarish experience for consumers.

"Certification is an important investment in the future," said Nagel.

Salespersons can pay the $450 fee themselves, but NADA hopes dealers will underwrite some or all of the costs for their employees.

NADA officials estimate that 200,000 salespersons, dealers and sales managers eligible to take the courses.

Despite the economy, they expect to graduate 4,000 salespersons this year and about 5,000 a year thereafter. AN

# Scrappage suggests car demand

JOSEPH BOHN
*Staff Reporter*

Recession-wary car owners aren't scrapping their old vehicles as readily as in prior years.

But they're still scrapping them fast enough to increase the pent-up demand that has been building for new vehicles.

Scrapped vehicles help create demand for new-car and truck sales, according to R.L. Polk & Co. of Detroit .

"If you're scrapping a car, it's eventually going to be replaced," said Don Mueller, Polk product manager of replacement market services.

But replacement of older or worn-out vehicles is only one component of the new-vehicle market, he added.

The other important factor is the overall growth of the vehicle marketplace.

"Our statistics bear out that in difficult economic times, the number of scrapped units represent a higher percentage of the overall number of new vehicles being sold than in a stronger economy," Mueller said.

In a forthcoming report, Polk will report that 10.9 million vehicles were scrapped during the 12 months ended July 1, 1991.

That is down only slightly from 11.1 million in the comparable period that ended in 1990 and 11.2 million for the period in 1989, according to Polk figures.

Polk is a major supplier of information relating to first-time-titled new-vehicle registrations and the total registered vehicle population.

Given the sharp falloff in the economy last year, George Hanley, Chevrolet manager of marketing information and research, said he had expected an even sharper decline.

**SCRAPPAGE RATES**

**Scrappage rates are based on non-renewed registrations, for years ending June 30.**

| | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 |
|---|---|---|---|---|---|---|
| Percent of cars scrapped | 7.4 | 6.9 | 7.3 | 7.4 | 7.2 | — |
| Percent of trucks scrapped | 5.5 | 5.3 | 4.8 | 4.4 | 4.1 | — |
| Percent of total vehicles scrapped | 6.6 | 6.3 | 6.4 | 6.3 | 6.2 | — |
| Millions of units scrapped | 10.8 | 10.5 | 11.0 | 11.2 | 11.1 | 10.9 |
| Trucks as percent of fleet | 27.7 | 28.3 | 29.9 | 30.2 | 31.2 | 32.0 |

Source: R.L. Polk

The fact that the rate remained relatively high means people are still turning over their fleets, Hanley added.

Polk reports scrappage rates once a year for the 12-month period ending July 1.

It determines scrappage by comparing the current number of vehicles in operation with a year earlier and subtracting from the current number the new vehicles registered during the most recent 12-month period.

The figures aren't 100 percent accurate, since an unregistered vehicle may not have been consigned to the scrap heap.

That is particularly true of heavy trucks, which may not be required during slow economic periods.

Polk's Mueller said many consulting firms and forecasters use the numbers in their work.

They look at why scrappage rates went up or down in a given period and what specific market segments are causing the changes.

Backing up the broad numbers is Polk's count by make, model and engine of every vehicle on the road. Auto companies use that data in making longevity claims for their vehicles.

It is also used by the aftermarket to determine the potential replacement of specific vehicle components and parts.

Not all vehicle manufacturers are interested in scrappage data, though.

"I don't do anything with it," said Joel Pitcoff, manager of research and analysis for Ford Motor Co.

"The scrappage rates are not available until six months later. I don't know how you could use it in forecasting."

Pitcoff said Ford's chief economist doesn't use the data either.

One major continuing trend in Polk's data is that trucks make up a larger percentage of the total number of vehicles on the road.

They accounted for 32.0 percent of all vehicles in operation in 1991, compared to 27.7 percent in 1986, according to Polk data.

Meanwhile, the scrappage rate for trucks dropped steadily. In 1987, some 5.3 percent of the trucks on the road were scrapped, compared to only 4.1 percent in 1990.

That reflects improvements in durability and changes in use, said Chevrolet's Hanley.

Ten years ago, trucks were used primarily for work and utilitarian purposes.

Today, they often serve as household vehicles.

Hanley added that new-truck sales have grown more than car sales. AN

# Dealer indicted for role in parts-theft scheme

HOUSTON — A car dealer and 10 former police garage employees are among more than a dozen people indicted for theft in connection with at least $250,000 in phony invoices and auto parts orders.

Bob Archer, president of Archer Chrysler-Plymouth-Jeep-Eagle Inc.; Aubrey Vincent, a former employee at the Archer dealership; and Salim Mann. 37, a service station owner, have been accused of being involved in theft schemes with the civilian police garage employees for more than five years.

City spokeswoman Maryann Young said that according to investigators, employees at the Houston Police Department's fleet maintenance division, with Archer's assistance, stole money from the city by taking parts and making payments on invoices for parts that never were delivered.

Since July 1989, the city has paid Archer $230,732 for auto parts.

— *The Associated Press*

# calendar

**GENERAL — '92**

**Feb. 24-28 — SAE International Congress and Exposition,** Cobo Center, Detroit

**Feb. 25 — The New Federal Sentencing Guidelines for Organizations,** Dykema Gossett, Ritz-Carlton Dearborn, Dearborn, Mich., (313) 568-6832

**March 1-5 — American Car Rental Association Convention,** Mirage Hotel, Las Vegas, (202) 789-2240

**March 3-5 — Computer Vision for Senior Management,** National Engineering Laboratory Executive Agency, East Kilbride, Scotland, 03552 20222

**March 10 — Protecting Your Relationship with the Big 3: Surviving a Quality Audit,** Grant Thornton, Sheraton Southfield Hotel, Southfield, Mich., (313) 262-1950

**March 16-19 — Enterprise Networking Event, Expo & Conference,** Society of Manufacturing Engineers, Washington Convention Center, Washington, (800) 733-4763

**March 23-25 — Heavy Duty Dialogue: Focus on the Future,** Heavy Duty Manufacturers Association, ANA Hotel, Washington, (201) 569-8500

**March 24-26 — International Welding Exposition,** American Welding Society, McCormick Place East, Chicago, (305) 443-9353

**April 13-16 — Computer-Integrated Manufacturing and Engineering Design Exposition and Conference,** American Society of Mechanical Engineers, Cobo Center, Detroit, (215) 444-9690

**April 22-23 — Clean Air Marketplace Conference,** EPA, Washington, (703) 934-3747

**April 23 — Co-op & Promotional Allowance Marketing — A Strategic Alliance for Automotive Marketers,** Advertising Checking Bureau, Radisson on the Lake, Ypsilanti, Mich., (800) ACB-COOP

**April 26-29 — Europe Business Outlook Conference,** University of Tennessee College of Business Administration and U.S. Department of Commerce, University of Tennessee, Knoxville, Tenn., for information call (615) 549-7000

**April 29-May 3 — Automotive Dismantlers and Recyclers Association Midyear Meeting,** Capital Hilton, Washington, (703) 385-1001

**May 12-14 — Detroit Advanced Productivity Expo and Presstech Expo & Conference,** Society of Manufacturing Engineers, Cobo Center, Detroit, (800) 733-4763

**June 1-5 — International Symposium on Automotive Technology and Automation,** Florence, Italy, 081-681-3069

**June 3-5 — Conference on Vehicle Structural Mechanics and Computer Aided Engineering,** Grand Traverse Hotel, Traverse City, Mich., (313) 649-0420

**June 3-5 — Interagency Motor Equipment Advisory Committee of the Southeast conference,** General Service Administration, Clarion Plaza Hotel, Orlando, Fla., (404) 331-0918

**June 7-11 — International Automotive Technology Congress,** Institution of Mechanical Engineers, Westminster's Queen Elizabeth II Conference Centre, London, 071 222 7899

**June 21-26 — Powder Metallurgy World Congress,** Metal Powder Industries Federation, San Francisco Marriott, San Francisco, (609) 452-7700

**June 25-30 — Beijing International Automotive Industry Exhibition,** Beijing, 852-8920511

**June 30-July 1 — Governor's Conference on Alternative-Fueled Vehicles,** University of Wisconsin-Milwaukee and University of Wisconsin-Madison, Grand Milwaukee Hotel, Milwaukee, (800) 462-0876

**Aug. 5-7 — University of Michigan Automotive Management Briefing,** University of Michigan and *Automotive News*, Grand Traverse Resort, Traverse City, Mich., (313) 764-5592

**Aug. 10-13 — Future Transportation Technology Conference & Exposition,** Westin South Coast Plaza Hotel, Costa Mesa, Calif., (313) 649-0420

**Sept. 8-13 — Automechanika** (trade fair for automobile workshop and service station equipment and auto parts and accessories), Messe Frankfurt GmbH, Frankfurt Fair and Exhibition Centre, Frankfurt, Germany, (069) 75 75 6320

**Sept. 9-17 — International Machine Tool Show,** Association for Manufacturing Technology, McCormick Place, Chicago, (703) 827-5288

**Sept. 19-24 — International Corrosion Congress,** National Association of Corrosion Engineers, Westin Galleria Hotel, Houston, (713) 492-0535

**Sept. 28-Oct. 1 — Passenger Car Meeting & Exposition,** Hyatt Regency, Dearborn, Mich., (313) 649-0420

**Oct. 18-31 — Automotive Dismantlers and Recyclers Association Convention,** Hyatt Regency, Phoenix, (703) 385-1001

**Oct. 19-21 — Convergence '92,** SAE and Institute of Electrical and Electronics Engineers, Hyatt Regency, Dearborn, Mich., (313) 594-7648

**Nov. 2-4 — Stapp Car Crash Conference,** Grand Traverse Hotel, Stouffer Madison Hotel, Seattle, (313) 649-0420

**DEALER CONVENTIONS — '92**

**April 4-7 — Iowa Automobile Dealers Association,** Des Moines Marriott, Des Moines, Iowa

**April 26-28 — Automobile Dealers Association of North Dakota,** Radisson Inn, Bismarck, N.D., (701) 293-6822

**April 26-29 — North Carolina Automobile Dealers Association,** Omni Hotel, Charleston, S.C., (919) 828-4421

**June 9-11 — Idaho Automobile Dealers Association,** Coeur d'Alene Resort, Coeur d'Alene, Idaho

**AUTO SHOWS — '92**

**Feb. 22-March 1 — Greater Cleveland Auto Show,** International Exposition (I-X) and Trade Center, Brook Park, Ohio, (216) 328-1500

**Feb. 26-March 1 — Denver Auto Show,** Colorado Convention Complex, Denver, (303) 831-1722

**Feb. 26-March 1 — Edmonton International Auto & Truck Show,** Edmonton Northlands Agricom Complex, Edmonton, Alberta, (403) 468-5047

**Feb. 26-March 1 — Greater Rochester International Auto Show,** Rochester Convention Center, Rochester, N.Y., (716) 272-7232

**Feb. 26-March 1 — Greater Toledo Auto Show,** Seagate Center, Toledo, Ohio, (419) 843-2611

**Feb. 29-March 8 — Greater Minneapolis and St. Paul Auto Show,** Minneapolis Convention Center, Minneapolis, (612) 831-8019

**March 5-8 — Empire State Plaza Auto Show,** Empire State Plaza, Albany, N.Y., (518) 438-0584

**March 5-15 — Geneva International Motor Show,** Palexpo, Geneva, (022) 798-1111

**March 9-15 — Quebec International Auto Show,** Laval University, Quebec, (418) 624-2290 or (418) 683-1991

**March 11-15 — Atlanta Journal-Constitution International Auto Show,** Georgia World Congress Center, Atlanta, (617) 536-8152

**March 11-15 — Calgary International Auto & Truck Show,** Round Up Centre, Stampede Park, Calgary, Alberta, (403) 287-3893

**March 12-15 — International Auto Show,** Oklahoma State Fairgrounds, Oklahoma City, (405) 949-9988

**March 14-22 — New Jersey International Auto Show,** Raritan Center Exposition Hall, Edison, N.J., (800) 345-1487 or (609) 883-5056

**March 19-22 — Tulsa Auto Show,** Tulsa State Fairgrounds, Tulsa, Okla., (918) 742-2626

**March 20-25 — Auto Expo,** Cincinnati Convention Center, Cincinnati, (513) 825-1600 or (513) 721-1818

**March 25-27 — Inland Counties Auto Show,** National Orange Showgrounds, San Bernardino, Calif., (213) 301-9019

**March 25-29 — Fort Lauderdale International Auto Show,** Greater Ford Lauderdale/Broward County Convention Center, Fort Lauderdale, Fla., (617) 630-2264 or (800) 732-2914

**March 26-29 — Louisville New Car Show,** Kentucky Fair and Exposition Center, Louisville, Ky. (502) 583-0279

**March 27-29 — Automotive Industry Show,** Northwood Institute West Palm Beach Campus, West Palm Beach, Fla., (407) 478-5570

**March 31-April 6 — Winnipeg International Car & Truck Show,** Winnipeg Convention Centre, Winnipeg, Manitoba, (204) 889-4924

**April 18-26 — Greater New York International Auto Show,** Jacob Javitts Center, New York, (718) 746-5900

**April 22-26 — San Diego International Auto Show,** San Diego Convention Center, San Diego, (617) 536-8152 or (214) 637-0531

**April 22-26 — Dallas Auto Show,** Dallas Convention Center, Dallas, (214) 637-0531

**May 13-17 — Las Vegas International Motor Car Show,** Sands Expo and Convention Center, Las Vegas, (702) 737-7318

**May 21-25 — Arizona Auto Show,** Phoenix Civic Plaza, Phoenix, (213) 444-5202

**May 28-31 — Cincinnati Truck & Van Show,** Cincinnati Convention Center, Cincinnati, Ohio, (513) 825-1600

## INCENTIVE WATCH— DEALER INCENTIVES

### NEW PROGRAMS

**CHEVROLET (expires May 4 on 1991 models, June 4 on 1992 models)**

| | |
|---|---|
| Corvette ZR-1 | $2,000 |
| Other Corvette | $1,000 |

**HONDA (expires March 3)**

| | |
|---|---|
| Accord (1991) | $500 |

**MAZDA (expires April 6)**

| | |
|---|---|
| RX-7 (1991) | $2,000 |
| MPV (1992) | $400-600, based on number sold |

**MITSUBISHI (1990-92 models, expires April 30. This is the range of regional programs. Some rebates are based on number sold or performance against quota.)**

| | |
|---|---|
| Mirage, Galant, Pickup | 0-$1,500 |
| Eclipse (national) | $750-1,750 |

**NISSAN (1992 models, expires March 3)**

| | |
|---|---|
| Sentra | $300-500, quota |
| Stanza | $1,000-1,600, quota |
| Maxima GXE | $800-1,000, quota |

### CONTINUING PROGRAMS

**ACURA (1991 models, expires May 1)**

| | |
|---|---|
| Legend sedan | $2,500 |
| Legend coupe | $3,000 |
| Integra (expires Feb. 3) | $500 |

**AUDI (1991 models, no expiration date)**

| | |
|---|---|
| Audi 100 and 200 | $1,500 |
| Audi 90 | $1,000 |

Rebates apply to models purchased by dealer from Audi of America port stocks.

**BMW (no expiration date)**

| | |
|---|---|
| 750iL (1991) | $10,000 |

**ISUZU (No expiration date; 1990-92 models unless otherwise noted. Rebates vary by regions.)**

| | |
|---|---|
| Impulse | $1,300-2,500 |
| Stylus S | $600-800 |
| Stylus S (Calif. only)* | $1,250 |
| Stylus RS | $600-800 |
| Stylus XS (1991, except Calif.) | $1,100 |
| Stylus XS (Calif. only)* | $2,500 |
| Rodeo 4x2 | 0-$600 |
| Rodeo 4x4 | $750-850 |
| Trooper (except Calif.) | $750-850 |
| Pickup | $500-1,500 |
| Pickup (1991 4x4, bonus in some regions) | $400 |

*Dealer has option of sharing rebate with buyer.

**LOTUS (1991, no expiration date)**

| | |
|---|---|
| Elan | $5,000 |
| Esprit Turbo | $11,000-15,000 |

**PEUGEOT (no expiration date)**

| | |
|---|---|
| 405 | $5,000 |
| 505 | $6,000 |

**PONTIAC (expires June 4 for 1992 models, May 4 for 1991 models)**

| | |
|---|---|
| LeMans | $1,000 |

**PORSCHE (1991 models, no expiration date. To qualify for the following rebates, dealers had to buy two cars from port stock by Jan. 17.)**

| | |
|---|---|
| 911 Carrera 2, 928 | $9,500 |
| 911 Carrera 4 | $13,500 |
| 911 Turbo | $14,000 |

**SUBARU (1991, expires March 3)**

| | |
|---|---|
| Legacy | $1,200-1,700 |

**SUZUKI (expires April 2)**

| | |
|---|---|
| Swift (1992) | $400-700 |
| Sidekick (1992) | $300-700 |
| Swift (1991) | $700-1,000 |
| Sidekick (1991) | $1,000-1,500 |

**TOYOTA (expires April 2; 1991-92 models unless otherwise noted)**

| | |
|---|---|
| Corolla (1992) | $600-1,000, quota |
| Celica | $400-800, quota |
| Tercel | $200-600, quota |
| Pickups (base 4x2) | $900-1,500, quota |
| Other pickups | $400-1,000, quota |

**VOLKSWAGEN (no expiration date)**

| | |
|---|---|
| Passat (1991) | $1,500 |
| Jetta, Fox, Golf (1991) | $500 |
| All 1990 cars | $500-1,500 |

**VOLVO (expires March 31)**

1992 models

| | |
|---|---|
| 240 series | $500-1,000 |
| 740 series | $1,000-1,500 |
| 940 series | $1,500 |

1991 models

| | |
|---|---|
| 240 series | $1,500 |
| 740 series | $1,750-2,500 |
| 940 series | $1,500-2,500 |
| 780 coupe | $2,500 |

# Factory rebate programs get a pre-spring tuneup

ARLENA SAWYERS
*Staff Reporter*

Many companies have fine-tuned their incentive programs.

**GMC Truck** announced a revision of its agenda until March 31. New consumer rebates are: 1991 Safari, $400; 1992 Safari, $500; and 1991 and 1992 Vanduras with upfitter package, $1,000.

**Chevrolet** is paying dealers $1,000 to $2,000 on Corvettes. The expiration dates are May 4 on 1991s, June 4 on 1992s.

In a separate military promotion, General Motors is offering $400 rebates to all active U.S.-based military personnel and their spouses who buy or lease eligible GM cars and light trucks through Sept. 30. The rebate is in addition to other consumer rebates excluding GM's college graduate, first-time buyer or overseas vehicle purchase plans.

**Mazda Motor of America Inc.** is offering $1,000 consumer rebates and choice of free air conditioning or free automatic transmission on its 1992 Protege, MX-6 and 626 models. Consumer rebates on 1992 pickups range from $400 to $1,200.

Also, Mazda is paying dealers $2,000 on the 1991 RX-7 and $400 to $600 on the 1992 MPV. Mazda's programs expire April 6.

Until March 3, **American Honda Motor Co. Inc.** is paying dealers $500 on 1991 Accords.

**Nissan Motor Corp. in U.S.A.** is paying the following dealer rebates, based on performance against quotas: 1992 Stanza, $1,000 to $1,600; 1992 Sentra, $300 to $500; and 1992 Maxima GXE, $800 to $1,000. The program expires March 3.

**Mitsubishi Motor Sales of America Inc.** is offering dealer rebates of up to $1,500 on 1990-92 Galants, Mirages and pickups, based on region.

Nationally, the company is paying dealers up to $1,750 on the 1992 Eclipse. Eclipse buyers are eligible for financing of 5.9 to 8.9 percent, depending on down payment.

Mitsubishi is paying consumer rebates of $500 on the 1990-1992 Mirage and $1,000 on 1991-92 pickups in its Southwest region.

The latest incentive offering from **Hyundai Motor America** includes consumer rebates of $500 to $1,000 on 1992 cars and $750 to $1,500 on 1991s until April 2.

Dealers in **American Isuzu Motors Inc.'s** Southwest and Southeast regions will receive a $500 rebate on every 1990-92 two-wheel-drive Rodeo they retail through March 31.

Through March 31, **Ford Motor Co.** is offering a $1,000 "Owner Loyalty" incentive on Ford Crown Victoria, Mercury Grand Marquis and all Lincolns. The buyers collect if they already own a Ford Motor Co. vehicle made by that division.

# DAIHATSU

## Poor U.S. sales, possible quota cut

*continued from* PAGE 4

down 36.6 percent. Combined Charade-Rocky sales fell 40.2 percent.

But the cycle was self perpetuating, analysts point out. Because its allocation was so small, Daihatsu was blocked from reaching the critical mass necessary to build a national marketing presence in the United States — which prevented it from selling more vehicles.

Indeed, Daihatsu executives discovered to their horror in a recent survey, the company's name was so little known in the United States that many consumers thought it was Korean.

"It is a classic Catch-22 situation," said analyst Neal Doying of Baring Securities (Japan) Ltd.

"Daihatsu has been saying for a long time, 'Give us more export allotment so we can sell more cars.' But they weren't able to advertise more because of the limited budget and so forth. So the key to them selling more cars was to have a bigger allotment."

In the assessment of Doying and others, Daihatsu gave up because they realized they would never get a larger allocation or approval to build a U.S. plant.

"And the reason they realized that is because the (ceiling) is coming down," Doying said. "I think the government is already going around and negotiating (allocations)," he said.

It is an article of faith here that a cut in the U.S. passenger-car export ceiling, to as low as 1.6 million or 1.7 million units for the fiscal year beginning April 1, will be announced soon.

At best, Daihatsu's tiny allocation would have been left untouched. But more likely, it would have been cut further, since it has sold far less than its allotment in recent years.

Daihatsu has long sought to convince MITI to give it a larger allocation. With no transplant in the United States, its only recourse was to plead for a bigger slice of the export pie.

Daihatsu's senior managing director in charge of overseas sales, Toshio Yoshioko, said in an interview late last year that Daihatsu needed an assembly plant in North America to mount a significant effort. But he also restated at the time his company's commitment to the American market.

1992 Daihatsu Charade

"We learn a lot of things by being there . . . we have a lot of confidence in our products," Yoshioko said in December.

Daihatsu will remain in the commercial-vehicle market in the United States, for which there is no export limit.

MITI for years delayed Daihatsu's entry into the U.S. market by withholding an allocation of units under the voluntary agreement. But ministry officials last week denied that they were involved in the company's decision to withdraw.

"We didn't say anything — it was all Daihatsu's decision," said a MITI spokesman.

Meanwhile, the withdrawal — and its politically correct timing — may have served a broader purpose, some suggest.

With trade friction at a fever pitch since the Big 3 chairmen visited Japan with President Bush last month, it is generally conceded here that Daihatsu's decision to quit the United States came at an appropriate time.

Industry observers here agree that the specter of a Japanese company in retreat — even one with a relatively limited commitment in North America — couldn't hurt politically.

Daihatsu's pullout also is in line with an emerging Japanese industry-wide strategy in the United States that hinges on a lower voluntary export ceiling, limited unit growth and higher prices.

"The Japanese are now changing their strategy in the United States," said Koichi Shimokawa, a business professor and auto industry specialist at Hosei University. "They are strengthening transplant production volume and capacity."

Analyst Ben Moyer of Merrill Lynch's Tokyo office agreed that the decision was probably part of a bigger picture.

"I understand the point," Moyer said. "Maybe Daihatsu is a sacrifice, but we'll never know."

Whatever the case, Moyer said, the decision to quit the U.S. market was probably for the best.

"I don't think they have any product, even in the design stages that they could expect to sell in large volumes in the U.S.," he said.

"And without another product it would be hard for them to support a distribution network."

## INCENTIVE WATCH — CUSTOMER INCENTIVES

### NEW PROGRAMS

**GMC TRUCK (expires March 31)**

| | |
|---|---|
| G van (1991-92) | $500-1,000 |
| Safari (1991) | $400 |
| Safari (1992) | $500 |

**HYUNDAI (expires April 2)**

| | |
|---|---|
| Excel (1991) | $1,000 |
| Excel (1992) | $500 |
| Elantra (1992) | $1,000 |
| Scoupe (1991) | $750 |
| Scoupe (1992) | $500 |
| Sonata (1991) | $1,500 |
| Sonata (1992) | $750 |

**MAZDA (1992 models, expires April 6)**

| | |
|---|---|
| Protege, 626, MX-6 | $1,000 plus free air conditioning or automatic trans. |
| Pickups | $400-1,200 |

**MITSUBISHI (expires April 30)**

| | |
|---|---|
| Eclipse (1991-92, national) 5.9 to 8.9 percent loans, based on down payment | |
| Pickups (1990-92, Southwest region) | $1,000 |
| Mirage (1990-92, Southwest region) | $500 |

### CONTINUING PROGRAMS

**CHRYSLER CORP. Expires March 31. Finance rates in lieu of rebates from zero to 9.9 percent.**

1991-92 models

| | |
|---|---|
| Chrysler New Yorker Fifth Ave., Imperial | $1,500 |
| N.Y. Salon, LeBaron sedan | $1,000 |
| LeBaron coupe, conv. | $500 |
| Dodge Monaco | $1,500 |
| Shadow, Spirit | $1,000 |
| Daytona, Colt 3-dr. | $500 |
| Dodge Ramcharger | $2,000 |
| Ram wagon (van and conversion) | $1,000 |
| Ram pickup (gas), Dakota pickup | $750 |
| Ram 50 pickup | $500 |
| Eagle Premier | $1,500 |
| Talon | $1,000 |
| Summit 3-dr., 4-dr., '92 wagon | $500 |
| Jeep Cherokee | $1,500 |
| Comanche | $750 |
| Wrangler | $500 |
| Plymouth Sundance, Acclaim, Laser | $1,000 |
| Colt 3-dr., '92 Vista | $500 |
| All minivans | $500 |
| Northeast region only: LeBaron sedan, Acclaim, Spirit | $1,500 |

**FORD MOTOR CO.**

1992 models

**Expires March 31. In lieu of rebates, finance rates of 2.9 to 7.9 percent are offered.**

| | |
|---|---|
| Ford Taurus SHO, Probe | $1,000 |
| Thunderbird Sport, SC (Calif.) | $1,500 |
| Thunderbird (non-Calif.) | $750 |
| Tempo (regional) | $500-1,000 |
| Escort (regional) | $500-750 |
| Crown Victoria, Mustang, Festiva | $500 |
| Other Taurus (Calif.) | $1,000 |
| Other Taurus (non-Calif.) | $500 |
| Ford Econoline RV | $1,000 |
| Ranger (Calif.) | $1,000 |
| Ranger (non-Calif.) | $750 |
| Bronco | $750 |
| Aerostar (regional) | $500-1,000 |
| F series | $400 |
| Mercury Cougar XR7 (Calif.) | $1,500 |
| Cougar (non-Calif.) | $750 |
| Capri | $750 |
| Tracer (regional) | $500-750 |
| Sable (Calif.) | $1,000 |
| Sable (non-Calif.) | $500 |
| Topaz (regional) | $500-1,000 |
| Grand Marquis | $500 |
| Lincoln Town Car, Mark VII, Continental | $1,500 |
| Crown Victoria, Grand Marquis, all Lincolns: Extra rebate to owners of Ford Motor Co. vehicles | $1,000 |

1991 models

**Expires March 31. In lieu of rebates, finance rates of 2.9 to 7.9 percent are offered.**

| | |
|---|---|
| Ford Festiva, Probe | $1,000 |
| Escort, Mustang, Thunderbird | $750 |
| Taurus SHO | $600 |
| Tempo, other Taurus | $400 |
| Ford Bronco, Econoline E-150 RV | $1,000 |
| Aerostar (regional) | $400-1,000 |
| Ranger, F series, other Econoline | $400 |
| Mercury Capri | $2,000 |
| Tracer, Cougar | $750 |
| Topaz, Sable | $400 |

**GENERAL MOTORS**

1992 models

**Expires June 4, unless otherwise indicated. In lieu of rebates, finance rates of 2.9 to 6.9 percent are offered.**

| | |
|---|---|
| Buick (based on option package ordered) Riviera | $2,000 |
| Skylark, Century, Regal, LeSabre | $250-1,000 |
| Cadillac (expires March 31) DeVille, Fleetwood, Brougham | $1,500 |
| Chevrolet Lumina; Geo Storm, Prizm, Metro (manual) | $750 |
| Cavalier, Camaro | $500 |
| Geo Metro (automatic) | $300 |
| Chevrolet S/T Blazer | $1,000 |
| S/T pickup, Lumina APV | $750 |
| G van | $500-750 |
| C/K pickup | $400 |
| GMC S15 Jimmy (exc. Typhoon) | $1,000 |
| Sonoma (exc. Syclone) | $750 |
| Sierra (regular cab) | $400 |
| Oldsmobile (regional) Toronado, Silhouette, Bravada | $1,000-2,000 |
| Custom Cruiser | $1,000-1,500 |
| Cutlass Ciera | $1,000 |
| Cutlass Supreme | $750-1,500 |
| Ninety Eight, Eighty Eight | $500-1,250 |
| Pontiac Grand Prix, Trans Sport | $750 |
| Sunbird, Grand Am, Firebird, Bonneville | $500 |

1991 models

**Expires May 4. In lieu of rebates, finance rates of 2.9 to 6.9 percent are offered.**

| | |
|---|---|
| Buick (based on option package ordered) Reatta | $2,000 |
| (other rebates same as 1992 models) | |
| Chevrolet (same as 1992 models, cars and trucks) | |
| GMC (same as 1992 models) | |
| Oldsmobile (regional) Cutlass Calais | $700-1,000 |
| (other rebates same as 1992 models) | |
| Pontiac (same as 1992 models) | |

**SUBARU (expires March 3)**

| | |
|---|---|
| Loyale (1991-92, fwd sedan, awd wagon) | $500 |
| Legacy L, L Plus (1992) | $500 |

## SCHEDULED PLANT CLOSINGS

| Plant | Weeks down | Units lost/ week |
|---|---|---|
| **CHRYSLER** | | |
| **Bramalea, Ontario** | † | |
| **Warren, Mich.** | 2/24 | |
| Dodge Dakota | | 3,000 |
| Dodge Ram pickups | | 1,500 |
| **Sterling Heights, Mich.** | 2/24 | |
| Dodge Daytona | | 1,000 |
| Dodge Shadow | | 2,300 |
| Plymouth Sundance | | 1,500 |
| **Pillette Road (Windsor, Ontario)** | 2/24 | |
| Dodge Ram Van | | 1,200 |
| Dodge Ram Wagon | | 600 |
| **FORD** | | |
| **Norfolk, Va.** | 2/24 | 3,200 |
| Ford F-series pickup | | |
| **GENERAL MOTORS** | | |
| **Wilmington, Del.** | 2/24 | |
| Chevrolet Beretta/Corsica | | 4,880 |
| **Wentzville, Mo.** | 2/24 | |
| Buick Park Avenue | | 1,700 |
| Oldsmobile Eighty Eight | | 500 |
| Pontiac Bonneville | | 2,900 |
| **Total U.S. car** | | **14,780** |
| **Total U.S. truck** | | **7,700** |
| **Total Canadian car** | | **1,800** |
| **Total units lost week of 2/24** | | **24,280** |

†Plant closed for retooling until spring 1992.
Source: Automotive News Data Center

# GM holds advertising to '91 level

CRAIN NEWS SERVICE

General Motors is holding the line on 1992 ad budgets, with total spending expected to be flat or slightly down compared to the estimated $1.2 billion spent in 1991.

*Advertising Age*, a sister publication to *Automotive News*, reports that insiders, including several at GM and its agencies, said ad spending plans are still subject to changes, but working budgets reflect GM's concerns about costs.

The decisions weren't unexpected in light of the company's plans to scale down.

While there are no massive cuts in spending, ad executives are disappointed the company isn't capitalizing on a chance to rebuild market share in light of a slew of new products and the current "Buy American" sentiment that has made some consumers more receptive to domestic nameplates.

Because GM executives put a premium on new-product launches, some of the divisions fared better than others in the budget process.

Indications are that Pontiac, Buick and possibly Oldsmobile will spend at approximately the same levels as 1991 in order to carry through key product launches, with other divisions taking spending cuts.

While GM cuts back, domestic rivals Ford Motor Co. and Chrysler Corp. are sticking to their plans to increase spending on advertising.

Chrysler ad spending is expected to increase nearly 20 percent from the estimated $550 million spent in 1991. The increase is being driven largely by the launch of the Jeep Grand Cherokee and this fall's debut of the mid-sized LH models.

Ford's overall spending increase this year is pegged at 15 percent over the estimated 1991 total of $600 million, largely reflecting a belief by some top executives that the company has been underspending, given the increased competition.

## U.S. AND CANADA CAR AND TRUCK PRODUCTION

Vehicles are domestic unless noted. Vehicles are cars unless noted.

| | Est. 2/17-2/22/92 | Actual 2/10-2/15/92 | 2/1-2/22/92 | Year 1/1-2/22/92 | Year 1/1-2/23/91 |
|---|---|---|---|---|---|
| LeBaron J | 1,200 | 1,164 | 2,364 | 6,173 | 4,390 |
| New Yorker | 0 | 0 | 463 | 2,602 | 1,755 |
| Fifth Avenue | 0 | 0 | 796 | 3,181 | 5,033 |
| Imperial | 0 | 0 | 195 | 762 | 1,469 |
| Town & Country (trk.) | 250 | 259 | 745 | 1,332 | 436 |
| **Total Chrysler Division** | **1,450** | **1,423** | **4,563** | **14,050** | **13,083** |
| Sundance | 2,300 | 2,276 | 6,149 | 8,705 | 4,595 |
| Acclaim | 1,750 | 1,608 | 3,358 | 9,425 | 13,777 |
| Voyager (trk.) | 1,625 | 2,189 | 5,448 | 9,419 | 11,838 |
| Voyager (Can. trk.) | 2,778 | 2,601 | 8,183 | 19,906 | 14,197 |
| **Total Plymouth** | **8,453** | **8,674** | **23,138** | **47,457** | **44,407** |
| Daytona | 250 | 302 | 787 | 2,021 | 1,575 |
| Shadow | 2,375 | 2,510 | 7,002 | 12,163 | 4,986 |
| Dynasty | 0 | 0 | 2,456 | 10,112 | 23,367 |
| Spirit | 1,675 | 2,098 | 3,973 | 9,767 | 12,705 |
| Viper | 0 | 0 | 0 | 0 | 0 |
| Monaco (Can.) | 0 | 0 | 0 | 0 | 329 |
| Caravan (trk.) | 2,750 | 2,585 | 7,688 | 13,690 | 15,625 |
| Caravan (Can. trk.) | 3,666 | 3,825 | 11,089 | 27,256 | 19,006 |
| Caravan C/V (trk.) | 25 | 57 | 159 | 295 | 524 |
| Caravan C/V (Can. trk.) | 156 | 206 | 567 | 1,299 | 566 |
| Dakota (trk.) | 3,000 | 3,071 | 8,569 | 16,549 | 6,881 |
| Ram pickups (trk.) | 1,375 | 1,530 | 4,117 | 8,035 | 6,893 |
| Ram Wagon (Can. trk.) | 591 | 546 | 1,619 | 3,585 | 1,934 |
| Ram Van (Can. trk.) | 1,393 | 1,454 | 4,238 | 8,822 | 3,674 |
| **Total Dodge** | **17,456** | **18,184** | **52,356** | **113,594** | **98,005** |
| Premier (Can.) | 0 | 0 | 0 | 0 | 954 |
| Cherokee (trk.) | 3,375 | 3,269 | 8,764 | 15,683 | 10,587 |
| Comanche (trk.) | 75 | 64 | 218 | 416 | 757 |
| Grand Cherokee (trk.) | 375 | 460 | 1,162 | 1,484 | 0 |
| Wagoneer (trk.) | 50 | 21 | 95 | 146 | 352 |
| Wrangler (Can trk.) | 1,932 | 1,962 | 5,862 | 13,410 | 5,738 |
| **Total Jeep-Eagle** | **5,807** | **5,776** | **16,101** | **31,139** | **18,388** |
| **Total U.S. car** | **9,750** | **9,958** | **27,835** | **64,911** | **73,652** |
| **Total Can. car** | **0** | **0** | **0** | **0** | **1,283** |
| **Total U.S. truck** | **12,900** | **13,585** | **36,965** | **67,849** | **53,893** |
| **Total Can. truck** | **10,516** | **10,594** | **31,558** | **74,280** | **45,115** |
| **CHRYSLER CORP.** | **33,166** | **34,057** | **96,158** | **206,240** | **173,943** |
| Escort | 5,796 | 0 | 5,796 | 16,171 | 23,944 |
| Mustang | 2,800 | 0 | 2,800 | 7,835 | 8,186 |
| Tempo | 3,426 | 3,210 | 6,636 | 14,920 | 13,735 |
| Tempo (Can.) | 3,419 | 0 | 3,419 | 14,320 | 15,292 |
| Taurus | 10,003 | 9,360 | 27,292 | 51,748 | 39,445 |
| Thunderbird | 2,159 | 2,166 | 6,368 | 10,364 | 8,593 |
| Crown Victoria (Can.) | 1,711 | 1,754 | 5,795 | 10,243 | 13,263 |
| Aerostar (trk.) | 4,010 | 4,030 | 12,074 | 23,344 | 17,581 |
| Bronco (trk.) | 680 | 643 | 1,323 | 2,389 | 1,943 |
| Explorer/Bronco II (trk.) | 6,719 | 6,592 | 19,877 | 46,291 | 38,848 |
| Mazda Navajo (trk.) | 84 | 68 | 228 | 538 | 2,880 |
| Econoline (trk.) | 2,240 | 2,218 | 8,709 | 22,624 | 11,822 |
| Heavies (trk.) | 1,046 | 1,061 | 3,149 | 6,048 | 5,840 |
| Light trucks (trk.) | 9,789 | 10,241 | 28,650 | 63,203 | 32,045 |
| Light trucks (Can. trk.) | 3,045 | 3,067 | 9,182 | 24,319 | 10,435 |
| Ranger (trk.) | 4,493 | 1,790 | 10,762 | 27,843 | 33,083 |
| **Total Ford Division** | **61,420** | **46,200** | **152,060** | **342,200** | **276,935** |
| Topaz | 984 | 1,205 | 2,189 | 5,641 | 5,198 |
| Topaz (Can.) | 1,330 | 0 | 1,330 | 4,128 | 4,130 |
| Cougar | 1,441 | 1,434 | 4,253 | 6,910 | 5,780 |
| Sable | 520 | 956 | 4,114 | 13,091 | 12,338 |
| Grand Marquis (Can.) | 2,729 | 3,135 | 8,398 | 12,904 | 968 |
| **Total Mercury** | **7,004** | **6,730** | **20,284** | **42,674** | **28,414** |
| Continental | 950 | 962 | 2,860 | 4,476 | 8,836 |
| Mark VII | 243 | 237 | 698 | 956 | 1,546 |
| Town Car | 2,983 | 3,001 | 8,960 | 13,746 | 20,792 |
| **Total Lincoln** | **4,176** | **4,200** | **12,568** | **19,178** | **31,174** |
| **Total L-M Division** | **11,180** | **10,930** | **32,852** | **61,852** | **59,588** |
| **Total U.S. car** | **31,305** | **22,531** | **72,016** | **145,058** | **148,393** |
| **Total Can. car** | **9,189** | **4,889** | **18,942** | **41,595** | **33,653** |
| **Total U.S. truck** | **29,961** | **26,643** | **84,772** | **192,288** | **144,042** |
| **Total Can. truck** | **3,045** | **3,067** | **9,182** | **24,319** | **10,435** |
| **FORD MOTOR CO.** | **72,600** | **57,130** | **184,912** | **404,052** | **336,523** |
| Skylark | 1,785 | 1,529 | 4,876 | 9,583 | 18,472 |
| Century | 1,425 | 0 | 2,850 | 7,171 | 10,595 |
| Regal (Can.) | 2,000 | 2,061 | 4,061 | 8,607 | 13,135 |
| Riviera | 237 | 225 | 691 | 1,588 | 1,837 |
| Park Avenue | 1,702 | 1,710 | 5,153 | 8,549 | 17,715 |
| LeSabre | 1,739 | 3,214 | 8,247 | 21,054 | 29,469 |
| Roadmaster sedan | 1,380 | 1,329 | 4,090 | 9,429 | 319 |
| Roadmaster wagon | 400 | 0 | 777 | 1,887 | 0 |
| Reatta | 0 | 0 | 0 | 0 | 170 |
| **Total Buick** | **10,668** | **10,068** | **30,765** | **67,868** | **91,712** |
| Eldorado | 995 | 917 | 2,914 | 6,323 | 2,348 |
| Seville | 1,041 | 968 | 3,037 | 6,575 | 4,451 |
| Brougham | 0 | 0 | 0 | 2,170 | 2,482 |
| DeVille | 3,612 | 3,924 | 11,418 | 14,851 | 22,618 |
| Allante | 28 | 16 | 44 | 44 | 474 |
| **Total Cadillac** | **5,676** | **5,825** | **17,413** | **29,963** | **32,373** |
| Cavalier | 4,530 | 4,403 | 13,320 | 29,496 | 40,969 |
| Camaro | 1,436 | 1,426 | 2,864 | 7,096 | 4,029 |
| Corsica-Beretta | 0 | 4,387 | 9,030 | 28,576 | 29,342 |
| Lumina (Can.) | 6,100 | 6,186 | 12,286 | 25,585 | 19,073 |
| Caprice | 2,820 | 1,332 | 6,946 | 14,769 | 17,623 |
| Corvette | 480 | 471 | 1,401 | 1,851 | 3,550 |
| Astro (trk.) | 3,155 | 3,904 | 10,300 | 24,748 | 10,931 |
| Blazer (trk.) | 300 | 270 | 969 | 2,379 | 1,180 |
| Lumina APV (trk.) | 1,456 | 0 | 1,456 | 4,450 | 3,854 |
| Mediums (trk.) | 80 | 94 | 272 | 856 | 1,570 |
| P-model (trk.) | 475 | 458 | 1,434 | 2,536 | 1,937 |
| Pickups (trk.) | 6,750 | 6,767 | 20,502 | 28,084 | 26,444 |
| Pickups (Can. trk.) | 4,000 | 4,095 | 12,090 | 29,976 | 23,448 |
| S10 (trk.) | 1,042 | 1,126 | 3,362 | 19,082 | 33,386 |
| S10 Blazer (trk.) | 2,039 | 2,040 | 6,235 | 17,859 | 6,259 |
| Sportsvan (trk.) | 1,020 | 1,115 | 3,168 | 7,254 | 3,984 |
| Sportsvan (Can. trk.) | 1,700 | 1,696 | 4,992 | 10,575 | 2,919 |
| Suburban (trk.) | 670 | 597 | 1,991 | 5,738 | 3,353 |
| **Total Chevrolet** | **38,055** | **40,367** | **112,638** | **260,910** | **233,851** |
| Achieva/Calais | 2,820 | 2,453 | 8,451 | 18,488 | 14,063 |
| Cutlass Ciera | 3,553 | 0 | 7,114 | 16,810 | 7,707 |
| Cutlass Ciera (Can.) | 0 | 0 | 0 | 0 | 7,877 |
| Cutlass Supreme | 0 | 0 | 0 | 6,507 | 15,733 |
| Toronado | 84 | 84 | 308 | 876 | 1,054 |
| Eighty Eight | 1,758 | 2,031 | 5,891 | 12,399 | 13,864 |
| Custom Cruiser wag.† | 160 | 0 | 307 | 750 | 0 |
| Ninety Eight | 962 | 1,223 | 3,410 | 4,702 | 13,905 |
| Silhouette (trk.) | 563 | 0 | 563 | 1,583 | 1,110 |
| Bravada (trk.) | 277 | 334 | 865 | 2,377 | 3,382 |
| **Total Oldsmobile** | **10,187** | **6,125** | **26,909** | **64,492** | **78,895** |
| Sunbird | 2,030 | 2,013 | 6,079 | 13,893 | 18,313 |
| Grand Am | 4,585 | 4,217 | 12,928 | 32,307 | 27,717 |
| Firebird | 562 | 557 | 1,119 | 2,996 | 1,003 |
| Grand Prix | 3,360 | 3,328 | 6,688 | 15,954 | 11,543 |
| Pontiac 6000 | 0 | 0 | 0 | 0 | 5,283 |
| Bonneville | 2,550 | 2,893 | 8,341 | 13,584 | 9,261 |
| TransSport (trk.) | 789 | 0 | 789 | 1,964 | 2,058 |
| **Total Pontiac** | **13,876** | **13,008** | **35,944** | **80,698** | **75,178** |
| Yukon/Jimmy (trk.) | 130 | 110 | 409 | 757 | 405 |
| Mediums (trk.) | 520 | 511 | 1,512 | 3,588 | 2,849 |
| P-model (trk.) | 45 | 65 | 133 | 344 | 411 |
| Pickups (trk.) | 2,502 | 2,547 | 7,381 | 12,588 | 10,621 |
| Pickups (Can. trk.) | 1,300 | 1,362 | 3,991 | 10,435 | 8,383 |
| Syclone/Sonoma (trk.) | 363 | 187 | 729 | 3,621 | 8,271 |
| Typhoon/S15 Jimmy (trk.) | 564 | 461 | 1,476 | 4,663 | 3,010 |
| Safari (trk.) | 1,309 | 1,134 | 3,520 | 8,258 | 4,814 |
| Suburban (trk.) | 600 | 532 | 1,838 | 2,731 | 3,026 |
| Vandura (trk.) | 623 | 547 | 1,762 | 4,506 | 1,926 |
| Vandura (Can. trk.) | 700 | 710 | 2,029 | 5,803 | 1,895 |
| **Total GMC** | **6,656** | **6,166** | **24,780** | **57,294** | **45,811** |
| **Total Saturn*** | **3,350** | **3,350** | **10,050** | **22,834** | **5,955** |
| **Total U.S. car** | **49,396** | **46,000** | **148,344** | **333,112** | **351,864** |
| **Total Can. car** | **8,100** | **8,267** | **16,367** | **34,192** | **40,085** |
| **Total U.S. truck** | **25,272** | **22,799** | **70,686** | **159,986** | **134,781** |
| **Total Can. truck** | **7,700** | **7,863** | **23,102** | **56,780** | **36,645** |
| **GENERAL MOTORS** | **90,468** | **86,929** | **258,499** | **584,059** | **563,375** |
| Can. car | 2,100 | 2,166 | 6,552 | 16,743 | 19,595 |
| Can. trk. | 1,300 | 1,345 | 4,010 | 10,375 | 8,397 |
| **CAMI*** | **3,400** | **3,513** | **10,562** | **27,118** | **27,992** |
| **DIAMOND-STAR*** | **3,495** | **3,275** | **10,047** | **23,079** | **23,627** |
| Civic | 1,600 | 1,672 | 5,188 | 12,782 | 12,845 |
| Civic (Can.) | 2,420 | 2,460 | 7,322 | 17,154 | 16,288 |
| Accord | 5,370 | 8,359 | 24,949 | 58,916 | 52,481 |
| **Total U.S. car** | **9,970** | **10,031** | **30,137** | **71,698** | **65,326** |
| **Total Can. car** | **2,420** | **2,460** | **7,322** | **17,154** | **16,288** |
| **HONDA** | **12,390** | **12,491** | **37,459** | **88,852** | **81,614** |
| **HYUNDAI** Sonata (Can.) | **0** | **598** | **1,179** | **2,828** | **6,885** |
| **MAZDA*** | **0** | **0** | **2,098** | **11,199** | **22,748** |
| U.S. trk. | 1,585 | 1,552 | 3,137 | 9,884 | 11,026 |
| Can. trk. | 165 | 167 | 493 | 1,174 | 1,161 |
| **NAVISTAR** | **1,750** | **1,719** | **3,630** | **11,058** | **12,187** |
| Sentra | 2,862 | 2,837 | 8,667 | 22,064 | 22,702 |
| Pickup (trk.) | 2,852 | 2,818 | 8,507 | 21,454 | 21,712 |
| **NISSAN** | **5,734** | **5,655** | **17,174** | **43,518** | **44,414** |
| Geo Prizm | 1,900 | 1,900 | 5,731 | 14,228 | 15,827 |
| Toyota Corolla | 2,350 | 2,237 | 6,958 | 17,316 | 15,700 |
| Toyota Hilux (trk.) | 800 | 776 | 2,273 | 4,448 | 0 |
| **HUMMI** | **5,050** | **4,913** | **14,962** | **35,992** | **31,527** |
| Legacy | 1,183 | 1,183 | 3,551 | 8,685 | 8,834 |
| Pickup (trk.) | 508 | 416 | 1,429 | 3,652 | 0 |
| Rodeo (trk.) | 800 | 730 | 2,490 | 6,373 | 0 |
| **Total U.S. car** | **1,183** | **1,183** | **3,551** | **8,685** | **8,834** |
| **Total U.S. trk.** | **1,308** | **1,146** | **3,919** | **10,025** | **8,840** |
| **SUBARU-ISUZU** | **2,571** | **2,329** | **7,470** | **18,710** | **17,474** |
| Camry | 4,725 | 4,683 | 14,108 | 35,244 | 33,725 |
| Corolla (Can.) | 1,500 | 1,568 | 4,656 | 10,735 | 10,232 |
| **TOYOTA** | **6,225** | **6,251** | **18,764** | **45,979** | **43,957** |
| **VOLVO** 740, 940 (Can.) | **120** | **150** | **420** | **1,856** | **1,313** |
| **AM GENERAL** (trk.) | **375** | **375** | **1,125** | **2,700** | **3,250** |
| **MISCELLANEOUS** (trk.)** | **2,400** | **2,400** | **7,200** | **17,280** | **21,500** |
| **Total U.S. car** | **116,956** | **106,635** | **329,292** | **747,304** | **782,398** |
| **Total Canada car** | **23,429** | **20,098** | **55,438** | **124,303** | **129,314** |
| **Total U.S.-Canada Car** | **140,385** | **126,733** | **384,730** | **871,607** | **911,712** |
| **Total U.S. truck** | **76,633** | **72,014** | **218,584** | **485,986** | **399,894** |
| **Total Canada truck** | **22,726** | **23,036** | **68,345** | **166,937** | **101,753** |
| **Total U.S.-Canada truck** | **99,359** | **95,050** | **286,929** | **652,923** | **500,647** |
| **TOTAL U.S.** | **193,589** | **178,649** | **547,876** | **1,232,390** | **1,181,292** |
| **TOTAL CANADA** | **46,155** | **43,134** | **123,783** | **291,240** | **231,067** |
| **TOTAL U.S.-CANADA CAR & TRUCK** | **239,744** | **221,783** | **671,659** | **1,523,630** | **1,412,359** |

e-Estimate

*CAMI includes Geo Metro and Suzuki Swift cars and Geo Tracker and Suzuki Sidekick trucks; Diamond-Star includes Eagle Summit and Talon, Mitsubishi Eclipse and Mirage and Plymouth Laser; Mazda includes MX-6, 626 and Ford Probe.

**Estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz.

May contain error of one or two units due to rounding.

# Output is highest of 1992

ANNE E. WRIGHT
*Chief Statistician*

Last week's estimated car and truck production in the United States and Canada was the highest of 1992. Total output was 239,744, an increase of 8.1 percent over the previous week and 14.3 percent over the year-ago week.

U.S. car production was estimated at 116,956 last week, up 9.7 percent from the prior week but down 2.4 percent from the year-ago week.

In Canada, last week's estimated car production was 23,429, topping the prior week by 16.6 percent and the year-ago week by 68.8 percent.

Last week's estimated U.S. truck production was 76,633, up 6.4 percent from the prior week and 13.4 percent over the same week in 1991.

In Canada, truck production was estimated at 22,726, down 1.3 percent from the prior week but up 167.6 percent over last year.

U.S. and Canadian car production continues to trail 1991. So far this year, 871,607 cars have been assembled, down 4.4 percent from the 1991 period.

Truck production in the United States and Canada is 652,023 this year, up 30.2 percent from 1991.

The daily build rate for cars and trucks in the United States and Canada was 47,949 last week, 8.1 percent above the prior week and 14.3 percent above last year.

General Motors last week reduced production at the Buick City plant in Flint, Mich., due to slow sales of the Buick LeSabre and Oldsmobile Eighty Eight. Production at the plant will be cut by approximately 10.8 percent. The plant was producing 65 cars per hour and is now producing 58 cars per hour.

The reduced rate will continue for at least three weeks and may be extended if demand for LeSabres and Eighty Eights does not increase.

Ford of Canada began producing the new 1992 Crown Victoria police vehicle last Friday at the St. Thomas, Ontario, facility.

Ford has received orders for more than 22,000 of the new police vehicles, which will be produced through the first half of the year. About 19,000 units were ordered by police departments in the United States, and 3,000 units are slated for Canadian police and government customers.

So far this year, production of the Crown Victoria is down 22.8 percent from 1991.

The addition of the police vehicles at the St. Thomas plant is not expected to require overtime.

Last week GM scheduled overtime at four truck facilities: Moraine, Ohio; Janesville, Wis.; Scarborough, Ontario; and Oshawa, Ontario.

Ford ran daily overtime last week at the Louisville, Ky., and Kansas City, Mo., truck plants.

Chrysler slated Saturday overtime at the St. Louis (No. 2) facility last week and scheduled three seven-hour shifts each day this week.